

Fund Summary

OnePath Diversified Bond Index Trust

OneAnswer Frontier Investment Portfolio

31 March 2024

Fund details

Investment manager	OnePath Funds Management Limited
Fund code	MMF1571AU
Asset type	Bonds - Global / Australia
Region	Global
Fund size	\$18.35 million as at 31 Mar 2024
Commencement date	15 Nov 2010
Distributions	Quarterly

Investment objective

The fund seeks to track the return of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index and a 70% allocation to the Bloomberg Barclays Global Aggregate Index (hedged to Australian dollars), before taking into account fees, expenses and tax.

Investment strategy

The fund invests in Australian and international bonds by holding units in a range of underlying fund's and/or direct assets. The fund seeks to reduce credit risk in the portfolio by selecting only bonds with a sufficiently high credit rating and by diversifying the fund's holding across issuers. Futures may be used to gain market exposure without investing directly in fixed interest securities.

Minimum time horizon

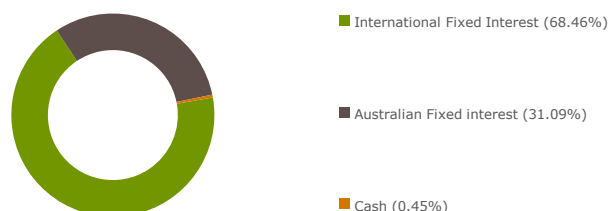
3 years

Standard Risk Measure*

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM for this fund is shown below:



Asset allocation



* For further information on Standard Risk Measures and the calculation methodology used, go to onepath.com.au/personal/performance/product-updates.aspx

† Returns quoted use the unit price which is calculated using the net asset values for the relevant month end. The prices shown may differ from the actual unit price if an investor is applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction on an investor's investment. Please note that all returns are after the deduction of management fees and expenses and assumes all distributions are re-invested. Where applicable, management fees have been deducted at the highest entry fee option rate. No allowance has been made for entry or exit fees.

‡ Benchmark (MorningstarAus BBG AuBd Cmp/BCGA TR HAUD) returns should be used for indicative purposes only. These returns may not be a true indication of this Fund's performance against its investment objective.

Fund performance

As at 31 Mar 2024

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	0.86	0.06	2.12	-2.21	-0.40	0.70	1.89
Benchmark ‡	0.97	0.35	2.01	-1.82	0.04	1.28	2.47
Excess Return	-0.11	-0.29	0.11	-0.39	-0.44	-0.58	-0.58
Distribution	0.04	0.04	0.32	4.76	4.04	3.56	4.26
Growth	0.82	0.02	1.80	-6.97	-4.44	-2.86	-2.37

Calendar year

returns	YTD	2024	2023	2022	2021
Total Return †	0.06	5.10	-11.60	-2.49	4.32
Benchmark ‡	0.35	5.19	-10.99	-2.18	4.79
Excess Return	-0.29	-0.09	-0.61	-0.31	-0.47

Top 10 holdings

Security	% of fund
Australia (Commonwealth Of)	15.18%
United States Of America	14.11%
Japan (Government Of)	7.94%
China Peoples Republic Of (Government)	7.61%
Victoria (State Of)	2.67%
New South Wales (State Of)	2.61%
Queensland (State Of)	2.05%
France (Republic Of)	2.84%
United Kingdom Of Great Britain And Northern Ireland (C	2.35%
Germany (Federal Republic Of)	2.29%
Total Top 10	59.65%

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Market and portfolio review

The OnePath Australian Bonds Index Pool portfolio returned +1.03% during the three months ending 31 March 2024. The portfolio tracked its underlying index, the Bloomberg AusBond Composite 0+ Year Index, which returned +1.03% during the same period. The credit rating, yield, and duration characteristics are also similar between the portfolio and the underlying index. The portfolio aims to provide broad exposure to the Australian debt market across Treasury, semi-govt, supra/sov, and credit bonds with a target maturity of 0+ years. Exposures to the Treasury sector (+0.47%), Government Related (+0.43%), and Corporates (+0.14%) contributed positively to absolute performance while there were no detractors. The largest issuer by market value was the Australian Government at 52.2%. Within the quarter, the portfolio added 69 securities to its holdings. As of 31 March 2024, the portfolio had 607 securities while the underlying index had 787 (excluding cash and futures).

Future investment strategy

Returns across investment grade fixed income sectors were generally flat during the first quarter of 2024. Income production and credit spreads tightening helped offset the price declines from an increase in interest rates across the US Treasury yield curve. Developed economies are proving to be more resilient than expected. This is good news for markets. And we're seeing disinflationary progress continuing, albeit imperfectly, in Western developed economies. This in turn is resulting in the start of gentle rate cuts for 2024, which is also good news for markets. Performance dispersion across sectors was muted. In general, credit sectors outperformed government sectors, which followed a broad risk-on tone in the financial markets. Yields continue to look attractive, but tighter credit spreads could limit upside.

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